

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

**COMMITTEE ON OPERATIONS
MINUTES OF SPECIAL MEETING**

Wednesday, June 26, 2013

Downtown Restoration Program – Authorization of Additional World Trade Center
Contract Actions and Expenses to Support Post-Hurricane Sandy Recovery and
Mitigation Work 4

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MINUTES OF SPECIAL MEETING**

**225 Park Avenue South
New York, NY
Wednesday, June 26, 2013**

PRESENT:

Hon. Jeffrey H. Lynford, *pro tem*
Hon. Raymond M. Pocino, *pro tem*
Hon. Rossana Rosado, *pro tem*
Committee Members

Hon. David Samson, Chairman
Hon. Scott H. Rechler, Vice-Chairman
Hon. Richard H. Bagger
Hon. Kenneth Lipper
Hon. Jeffrey A. Moerdler
Hon. Anthony J. Sartor
Hon. William P. Schuber
Hon. David S. Steiner
Commissioners

Patrick J. Foye, Executive Director
William Baroni, Jr., Deputy Executive Director
Darrell B. Buchbinder, General Counsel
Karen E. Eastman, Secretary

Susan M. Baer, Director, Aviation
Steven J. Coleman, Deputy Director, Media Relations
Philippe Danielides, Senior Advisor to the Chairman
Stephanie E. Dawson, Acting Chief Operating Officer
John C. Denise, Audio Visual Supervisor, Marketing
Daniel D. Duffy, Senior Business Manager, Office of the Secretary
Joseph P. Dunne, Chief Security Officer
Michael A. Fedorko, Director, Public Safety/Superintendent of Police
Michael B. Francois, Chief, Real Estate and Development
Cedrick T. Fulton, Director, Tunnels, Bridges and Terminals
David Garten, Senior Advisor to the Vice Chairman
Ann M. Georgas, Manager, Legal Management Division, Law
Diana Guzman, Secretary to the Executive Director
Linda C. Handel, Deputy Secretary
Mary Lee Hannell, Chief, Human Capital
Andrew T. Hawthorne, Director, Marketing
Anthony Hayes, Manager, Media Planning, Media Relations
Jonathon Hayes, Management Intern, Human Resources
Howard G. Kadin, Esq., Law

Kirby King, Director, Technology Services
Stephen Kingsberry, Director, Rail Transit
Cristina M. Lado, Director, Government and Community Affairs, New Jersey
Patrick Lanza, Acting Chief Technology Officer
Richard M. Larrabee, Director, Port Commerce
John J. Liantonio, Senior External Relations Client Manager, Government and
Community Affairs
John H. Ma, Chief of Staff to the Executive Director
Lisa MacSpadden, Director, Media Relations
Ronald Marsico, Assistant Director, Media Relations
Daniel G. McCarron, Comptroller
Elizabeth M. McCarthy, Chief Financial Officer
James E. McCoy, Manager, Board Management Support, Office of the Secretary
Jared Pilosio, Staff External Relations Representative, Government and Community Affairs
Steven P. Plate, Deputy Chief, Capital Planning/Director, World Trade Center Construction
Alan L. Reiss, Deputy Director, World Trade Center Construction
Jessica D. Russ, Associate Board Management and Support Specialist, Office of the
Secretary
Brian W. Simon, Director, Government and Community Affairs, New York
Timothy G. Stickelman, Assistant General Counsel
Gerald B. Stoughton, Director, Financial Analysis
Ralph Tragale, Assistant Director, Public Affairs, Aviation
David B. Tweedy, Chief, Capital Programs
I. Midori Valdivia, Principal Financial Analyst, Executive Director's Office
Christopher M. Valens, Senior Public Information Officer, Media Relations
Lillian D. Valenti, Director, Procurement
Sheree R. Van Duyne, Manager, Policies and Protocol, Office of the Secretary
David M. Wildstein, Director, Interagency Capital Projects, Office of the Deputy Executive
Director
Peter J. Zipf, Chief Engineer

Guest:

Regina Egea, Director, Authorities Unit, Office of the Governor of New Jersey
Janet Ho, Assistant Secretary for Transportation, State of New York
Kerstin Sundstrom, Assistant Counsel, Authorities Unit, Office of the Governor of New
Jersey

Speakers:

Stuart Appelbaum, President of the Retail, Wholesale and Department Store Union
Marcus Babzien, Member of the Public
Margaret Donovan, Twin Towers Alliance
Robert A. Genna, Member of the Public
Richard Hughes, Twin Towers Alliance
Bowen Kyle, Unite Here Local 100
Roberta Lane, National Trust for Historic Preservation
Patricia Lewis, Member of the Public
Gilbert Palacios, Unite Here Local 100
Anthony Stramaglia, Member of the Public
Neile Weissman, Member of the Public

In view of the fact that, as a result of prospective recusals, there would not be a sufficient number of Commissioners present to consider an item on the agenda at today's Board meeting, the Secretary reported that, pursuant to the By-Laws, a special meeting of the Committee on Operations was called to permit the Committee to act on the item for and on behalf of the Board.

The meeting was called to order in public session at 3:48 p.m. and ended at 4:23 p.m.

DOWNTOWN RESTORATION PROGRAM – AUTHORIZATION OF ADDITIONAL WORLD TRADE CENTER CONTRACT ACTIONS AND EXPENSES TO SUPPORT POST-HURRICANE SANDY RECOVERY AND MITIGATION WORK

It was recommended that the Board authorize: (1) the expenditure of an additional estimated amount of approximately \$53 million for certain contract actions and expenses expected to be required through July 31, 2013 to effectuate ongoing repair and replacement of facilities and equipment at the World Trade Center (WTC) site that were damaged or destroyed as a result of Hurricane Sandy and its associated storm surge, and for related mitigation efforts, resulting in a cumulative total authorization of approximately \$359 million for the response, recovery and restoration efforts at the WTC site; and (2) the Executive Director to take all actions necessary to effectuate the foregoing, consistent with the terms outlined to the Board.

During the week of October 28, 2012, Hurricane Sandy and its associated storm surge caused significant flooding and devastating damage in Lower Manhattan and throughout the New York-New Jersey region. The storm resulted in severe flooding throughout the WTC site, particularly affecting the WTC Transportation Hub, Vehicular Security Center, WTC Memorial Museum, and One WTC, among other WTC projects in construction. Although the de-watering of the WTC site was substantially completed in early November, and pre-storm levels of construction activity resumed throughout the WTC site by the end of November 2012, Hurricane Sandy recovery activities are ongoing, to assess and evaluate damaged areas and equipment for future repair or replacement, including efforts to mitigate the impacts of future storms. Through separate actions at its meetings from February 6, 2013 through May 29, 2013, the Board, and the Committee on Operations, acting for and on behalf of the Board pursuant to the By-Laws, ratified and authorized certain actions required for Hurricane Sandy response, recovery and restoration work at the WTC site through June 30, 2013, in a total estimated amount of \$306 million.

Although comprehensive damage assessments and project impact evaluations related to Hurricane Sandy will be ongoing throughout 2013, staff is ordering various contractors to repair or replace damaged and destroyed equipment and infrastructure, including the purchase or repurchase of major long-lead items, such as electrical switchgear and substation equipment, vertical circulation equipment, and mechanical fans, air handling units and controls. Increases in contract amounts also are needed to provide for construction management, program management, design support, and other professional services to support the repair/replacement, re-installation work and mitigation efforts.

Consistent with previous discussions with the Board throughout 2013, as additional information is made available by contractors, further project evaluations and implementation decisions regarding Hurricane Sandy's impact and potential for including additional mitigation efforts to deliver a more resilient site are being made. It is anticipated that there will be further requests for increases to contract amounts for actions that will be attributable to Hurricane Sandy recovery, including further equipment replacement and installation costs, construction general conditions and potential acceleration costs, on an ongoing basis.

Pursuant to the foregoing report, the Committee on Operations, acting for and on behalf of the Board pursuant to the By-Laws, adopted the following resolution, with Commissioners Lynford, Pocino and Rosado voting in favor. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Committee being present.

RESOLVED, that the expenditure of an additional estimated amount of approximately \$53 million for certain additional actions and expenses expected to be required through July 31, 2013, to effectuate the repair and replacement of facilities and equipment at the World Trade Center site that were damaged or destroyed by Hurricane Sandy and its associated storm surge, and related mitigation efforts, be and it hereby is authorized, consistent with the terms outlined to the Board; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to take all actions necessary to facilitate the foregoing, consistent with the terms outlined to the Board; and it is further

RESOLVED, that the form of all contracts and agreements in connection with the foregoing shall be subject to the approval of General Counsel or his authorized representative.

Whereupon, the meeting was adjourned.

Secretary